



ANNUAL STATEMENT  
For the Year Ending December 31, 2013  
OF THE CONDITION AND AFFAIRS OF THE  
QCA Health Plan, Inc.

NAIC Group Code	0000 (Current Period)	,	0000 (Prior Period)	NAIC Company Code	95448	Employer's ID Number	71-0794605
Organized under the Laws of	Arkansas			State of Domicile or Port of Entry	Arkansas		
Country of Domicile	United States of America						
Licensed as business type:	Life, Accident & Health[ ] Dental Service Corporation[ ] Other[ ]			Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]		Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]	
Incorporated/Organized	04/08/1996			Commenced Business	07/31/1996		
Statutory Home Office	12615 Chenal Parkway, Suite 300 (Street and Number)			Little Rock, AR, 72211 (City or Town, State, Country and Zip Code)			
Main Administrative Office	12615 Chenal Parkway, Suite 300 (Street and Number)			Little Rock, AR, 72211 (City or Town, State, Country and Zip Code)			
Mail Address	12615 Chenal Parkway, Suite 300 (Street and Number or P.O. Box)			Little Rock, AR, 72211 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	12615 Chenal Parkway, Suite 300 (Street and Number)			Little Rock, AR, 72211 (City or Town, State, Country and Zip Code)			
Internet Website Address	www.qualchoice.com			(501)228-7111 (Area Code) (Telephone Number)			
Statutory Statement Contact	Randall Crow (Name)			(501)219-5109 (Area Code)(Telephone Number)(Extension)			
	randall.crow@qualchoice.com (E-Mail Address)			(501)228-0135 (Fax Number)			

OFFICERS

Name	Title
Michael Edward Stock	President
Randall Alvin Crow	Treasurer
Jennifer Gayle Smith	Secretary #

OTHERS

Joni Self Daniels, Vice President-Operations  
Betty Jo Tatum-Himes, Vice President - Sales & Marketing  
Richard Parker Armstrong M.D., Vice President - Medical Affairs  
Jon Foose, Vice President - Underwriting

DIRECTORS OR TRUSTEES

James Knox Hendren PhD  
Joseph Patrick Searcy  
Charles W. Smith M.D.  
Joseph Maurice Elser M.D.  
John P Schaefer  
Buford Joseph Suffridge DDS, MS,PA  
James Arden Tanner M.D.  
Barbara Garner Williams RN, PhD  
Raymond William Montgomery II  
Michael Edward Stock

State of Arkansas  
County of Pulaski ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Michael Edward Stock	Randall Alvin Crow	Jennifer Gayle Smith
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Treasurer	Secretary
(Title)	(Title)	(Title)
Subscribed and sworn to before me this	a. Is this an original filing?	Yes[X] No[ ]
day of , 2014	b. If no, 1. State the amendment number	
	2. Date filed	
	3. Number of pages attached	

(Notary Public Signature)

**DIRECTORS OR TRUSTEES (continued)**

Mark J. McGinnis

Anthony Johnson

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D) .....	10,886,739		10,886,739	9,731,330
2.	Stocks (Schedule D)				
2.1	Preferred stocks .....	1,500,000		1,500,000	1,500,000
2.2	Common Stocks .....	6,940,624		6,940,624	2,378,913
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens .....				
3.2	Other than first liens .....				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2	Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3	Properties held for sale (less \$.....0 encumbrances) .....				
5.	Cash (\$.....9,095,456, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA) .....	9,095,456		9,095,456	23,670,823
6.	Contract loans (including \$.....0 premium notes) .....				
7.	Derivatives (Schedule DB) .....				
8.	Other invested assets (Schedule BA) .....	5,634		5,634	5,628
9.	Receivables for securities .....				
10.	Securities Lending Reinvested Collateral Assets (Schedule DL) .....				
11.	Aggregate write-ins for invested assets .....				
12.	Subtotals, cash and invested assets (Lines 1 to 11) .....	28,428,453		28,428,453	37,286,694
13.	Title plants less \$.....0 charged off (for Title insurers only) .....				
14.	Investment income due and accrued .....	30,592		30,592	48,526
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection .....	971,519		971,519	521,812
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....				
15.3	Accrued retrospective premiums .....				
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers .....	745,834		745,834	118,992
16.2	Funds held by or deposited with reinsured companies .....				
16.3	Other amounts receivable under reinsurance contracts .....				
17.	Amounts receivable relating to uninsured plans .....	435,524		435,524	159,698
18.1	Current federal and foreign income tax recoverable and interest thereon .....	91,426		91,426	91,426
18.2	Net deferred tax asset .....				
19.	Guaranty funds receivable or on deposit .....				
20.	Electronic data processing equipment and software .....				
21.	Furniture and equipment, including health care delivery assets (\$.....0) .....				
22.	Net adjustment in assets and liabilities due to foreign exchange rates .....				
23.	Receivables from parent, subsidiaries and affiliates .....	75,000		75,000	206,666
24.	Health care (\$.....174,375) and other amounts receivable .....	347,731	173,356	174,375	
25.	Aggregate write-ins for other than invested assets .....				660,870
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	31,126,079	173,356	30,952,723	39,094,684
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28.	Total (Lines 26 and 27) .....	31,126,079	173,356	30,952,723	39,094,684
DETAILS OF WRITE-INS					
1101.	rounding .....				
1102.	.....				
1103.	.....				
1198.	Summary of remaining write-ins for Line 11 from overflow page .....				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501.	Premium Tax & CHIP receivable .....				660,870
2502.	rounding .....				
2503.	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page .....				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....				660,870

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1	2	3	4
		Covered	Uncovered	Total	Total
1.	Claims unpaid (less \$.....0 reinsurance ceded) .....	12,233,700	1,053,298	13,286,998	16,976,700
2.	Accrued medical incentive pool and bonus amounts .....				
3.	Unpaid claims adjustment expenses .....	99,045		99,045	112,862
4.	Aggregate health policy reserves, including the liability of \$.....39,000 for medical loss ratio rebate per the Public Health Service Act .....	289,895		289,895	2,073,924
5.	Aggregate life policy reserves .....				
6.	Property/casualty unearned premium reserves .....				
7.	Aggregate health claim reserves .....				
8.	Premiums received in advance .....	2,252,565		2,252,565	2,827,294
9.	General expenses due or accrued .....	1,448,827		1,448,827	941,478
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....				
10.2	Net deferred tax liability .....				
11.	Ceded reinsurance premiums payable .....				
12.	Amounts withheld or retained for the account of others .....				
13.	Remittances and items not allocated .....				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15.	Amounts due to parent, subsidiaries and affiliates .....	106,919		106,919	399,264
16.	Derivatives .....				
17.	Payable for securities .....				
18.	Payable for securities lending .....				
19.	Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) .....				
20.	Reinsurance in unauthorized and certified (\$.....0) companies .....				
21.	Net adjustments in assets and liabilities due to foreign exchange rates .....				
22.	Liability for amounts held under uninsured plans .....	647,884		647,884	2,278,452
23.	Aggregate write-ins for other liabilities (including \$.....0 current) .....	(1)		(1)	554,208
24.	TOTAL Liabilities (Lines 1 to 23) .....	17,078,834	1,053,298	18,132,132	26,164,182
25.	Aggregate write-ins for special surplus funds .....	X X X	X X X		
26.	Common capital stock .....	X X X	X X X	2,454	2,454
27.	Preferred capital stock .....	X X X	X X X	25,500,046	25,500,046
28.	Gross paid in and contributed surplus .....	X X X	X X X	2,000,000	
29.	Surplus notes .....	X X X	X X X		
30.	Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
31.	Unassigned funds (surplus) .....	X X X	X X X	(14,681,549)	(12,571,638)
32.	Less treasury stock, at cost:				
32.1	.....0 shares common (value included in Line 26 \$.....0) .....	X X X	X X X	360	360
32.2	.....0 shares preferred (value included in Line 27 \$.....0) .....	X X X	X X X		
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) .....	X X X	X X X	12,820,591	12,930,502
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	X X X	X X X	30,952,723	39,094,684
DETAILS OF WRITE-INS					
2301.	rounding .....	(1)		(1)	
2302.	CHIP Payable .....				554,208
2303.	.....				
2398.	Summary of remaining write-ins for Line 23 from overflow page .....				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	(1)		(1)	554,208
2501.	.....	X X X	X X X		
2502.	.....	X X X	X X X		
2503.	.....	X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page .....	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	X X X	X X X		
3001.	.....	X X X	X X X		
3002.	.....	X X X	X X X		
3003.	.....	X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page .....	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months .....	X X X .....	495,442	542,687
2.	Net premium income (including \$.....0 non-health premium income) .....	X X X .....	141,264,056	147,170,891
3.	Change in unearned premium reserves and reserve for rate credits .....	X X X .....		
4.	Fee-for-service (net of \$.....0 medical expenses) .....	X X X .....		
5.	Risk revenue .....	X X X .....		
6.	Aggregate write-ins for other health care related revenues .....	X X X .....		
7.	Aggregate write-ins for other non-health revenues .....	X X X .....		
8.	TOTAL Revenues (Lines 2 to 7) .....	X X X .....	141,264,056	147,170,891
Hospital and Medical:				
9.	Hospital/medical benefits .....	9,844,350	103,953,373	107,880,609
10.	Other professional services .....			
11.	Outside referrals .....			
12.	Emergency room and out-of-area .....	216,304	2,291,356	2,314,120
13.	Prescription drugs .....		20,092,493	22,220,509
14.	Aggregate write-ins for other hospital and medical .....			
15.	Incentive pool, withhold adjustments and bonus amounts .....			
16.	Subtotal (Lines 9 to 15) .....	10,060,654	126,337,222	132,415,238
Less:				
17.	Net reinsurance recoveries .....		2,454,464	1,434,313
18.	TOTAL Hospital and Medical (Lines 16 minus 17) .....	10,060,654	123,882,758	130,980,925
19.	Non-health claims (net) .....			
20.	Claims adjustment expenses, including \$.....3,723,641 cost containment expenses .....		6,518,243	6,023,417
21.	General administrative expenses .....		16,606,725	15,382,328
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....		(1,849,940)	1,381,674
23.	TOTAL Underwriting Deductions (Lines 18 through 22) .....	10,060,654	145,157,786	153,768,344
24.	Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X .....	(3,893,730)	(6,597,453)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		270,614	344,523
26.	Net realized capital gains (losses) less capital gains tax of \$.....0 .....		(20,022)	49,875
27.	Net investment gains (losses) (Lines 25 plus 26) .....		250,592	394,398
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....			
29.	Aggregate write-ins for other income or expenses .....		53,755	25,695
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	X X X .....	(3,589,383)	(6,177,360)
31.	Federal and foreign income taxes incurred .....	X X X .....		
32.	Net income (loss) (Lines 30 minus 31) .....	X X X .....	(3,589,383)	(6,177,360)
DETAILS OF WRITE-INS				
0601.	.....	X X X .....		
0602.	.....	X X X .....		
0603.	.....	X X X .....		
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	X X X .....		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X .....		
0701.	.....	X X X .....		
0702.	.....	X X X .....		
0703.	.....	X X X .....		
0798.	Summary of remaining write-ins for Line 7 from overflow page .....	X X X .....		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....	X X X .....		
1401.	.....			
1402.	.....			
1403.	.....			
1498.	Summary of remaining write-ins for Line 14 from overflow page .....			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....			
2901.	rounding .....			1
2902.	Miscellaneous Income/Expense .....		53,755	25,694
2903.	0 .....			
2998.	Summary of remaining write-ins for Line 29 from overflow page .....			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....		53,755	25,695

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year .....	12,930,502	18,819,075
34.	Net income or (loss) from Line 32 .....	(3,589,383)	(6,177,360)
35.	Change in valuation basis of aggregate policy and claim reserves .....		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 .....	1,128,665	416,893
37.	Change in net unrealized foreign exchange capital gain or (loss) .....		
38.	Change in net deferred income tax .....		(298,137)
39.	Change in nonadmitted assets .....	350,809	170,038
40.	Change in unauthorized and certified reinsurance .....		
41.	Change in treasury stock .....		
42.	Change in surplus notes .....		
43.	Cumulative effect of changes in accounting principles .....		
44.	Capital Changes:		
44.1	Paid in .....		
44.2	Transferred from surplus (Stock Dividend) .....		
44.3	Transferred to surplus .....		
45.	Surplus adjustments:		
45.1	Paid in .....	2,000,000	
45.2	Transferred to capital (Stock Dividend) .....		
45.3	Transferred from capital .....		
46.	Dividends to stockholders .....		
47.	Aggregate write-ins for gains or (losses) in surplus .....	(1)	(7)
48.	Net change in capital and surplus (Lines 34 to 47) .....	(109,910)	(5,888,573)
49.	Capital and surplus end of reporting year (Line 33 plus 48) .....	12,820,592	12,930,502
DETAILS OF WRITE-INS			
4701.	Rounding .....	(1)	(7)
4702.	0 .....		
4703.	.....		
4798.	Summary of remaining write-ins for Line 47 from overflow page .....		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....	(1)	(7)

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance .....	138,460,951	147,217,758
2.	Net investment income .....	302,971	448,366
3.	Miscellaneous income .....	171,074	174,525
4.	Total (Lines 1 through 3) .....	138,934,996	147,840,649
5.	Benefit and loss related payments .....	126,349,362	130,396,923
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	24,484,075	20,606,837
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	(1,128,665)	(416,893)
10.	Total (Lines 5 through 9) .....	149,704,772	150,586,867
11.	Net cash from operations (Line 4 minus Line 10) .....	(10,769,776)	(2,746,218)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	5,663,966	5,615,194
12.2	Stocks .....	1,999,134	778,617
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....		2
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....	7,663,100	6,393,813
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	6,987,934	4,216,232
13.2	Stocks .....	5,298,633	648,015
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....	1,128,105	416,905
13.7	Total investments acquired (Lines 13.1 to 13.6) .....	13,414,672	5,281,152
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(5,751,572)	1,112,661
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....	2,000,000	
16.3	Borrowed funds .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....		
16.6	Other cash provided (applied) .....	(54,019)	(416,334)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	1,945,981	(416,334)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(14,575,367)	(2,049,891)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	23,670,823	25,720,714
19.2	End of year (Line 18 plus Line 19.1) .....	9,095,456	23,670,823

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001	.....		
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income .....	141,264,056	139,238,229				2,025,827				
2.	Change in unearned premium reserves and reserve for rate credit .....										
3.	Fee-for-service (net of \$.....0 medical expenses) .....										X X X .....
4.	Risk revenue .....										X X X .....
5.	Aggregate write-ins for other health care related revenues .....										X X X .....
6.	Aggregate write-ins for other non-health care related revenues .....		X X X	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
7.	TOTAL Revenues (Lines 1 to 6) .....	141,264,056	139,238,229				2,025,827				
8.	Hospital/medical benefits .....	103,953,373	102,748,161				1,205,212				X X X .....
9.	Other professional services .....										X X X .....
10.	Outside referrals .....										X X X .....
11.	Emergency room and out-of-area .....	2,291,356	2,264,875				26,481				X X X .....
12.	Prescription drugs .....	20,092,493	19,702,841				389,652				X X X .....
13.	Aggregate write-ins for other hospital and medical .....										X X X .....
14.	Incentive pool, withhold adjustments and bonus amounts .....										X X X .....
15.	Subtotal (Lines 8 to 14) .....	126,337,222	124,715,877				1,621,345				X X X .....
16.	Net reinsurance recoveries .....	2,454,464	2,434,570				19,894				X X X .....
17.	TOTAL Hospital and Medical (Lines 15 minus 16) .....	123,882,758	122,281,307				1,601,451				X X X .....
18.	Non-health claims (net) .....		X X X	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
19.	Claims adjustment expenses including \$.....3,723,641 cost containment expenses .....	6,518,243	6,424,002				94,241				
20.	General administrative expenses .....	16,606,725	16,365,727				240,998				
21.	Increase in reserves for accident and health contracts .....	(1,849,940)	(1,849,940)								X X X .....
22.	Increase in reserves for life contracts .....		X X X	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
23.	TOTAL Underwriting Deductions (Lines 17 to 22) .....	145,157,786	143,221,096				1,936,690				
24.	Net underwriting gain or (loss) (Line 7 minus Line 23) .....	(3,893,730)	(3,982,867)				89,137				
DETAILS OF WRITE-INS											
0501.	.....										X X X .....
0502.	.....										X X X .....
0503.	.....										X X X .....
0598.	Summary of remaining write-ins for Line 5 from overflow page .....										X X X .....
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....										X X X .....
0601.	.....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
0602.	.....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
0603.	.....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
0698.	Summary of remaining write-ins for Line 6 from overflow page .....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
1301.	.....										X X X .....
1302.	.....										X X X .....
1303.	.....										X X X .....
1398.	Summary of remaining write-ins for Line 13 from overflow page .....										X X X .....
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....										X X X .....



UNDERWRITING AND INVESTMENT EXHIBIT  
PART 1 - PREMIUMS

		1	2	3	4
		Direct	Reinsurance	Reinsurance	Net Premium
Line of Business		Business	Assumed	Ceded	Income
					(Columns
					1 + 2 - 3)
1.	Comprehensive (hospital and medical) .....	140,669,678		1,431,449	139,238,229
2.	Medicare Supplement .....				
3.	Dental only .....				
4.	Vision only .....				
5.	Federal Employees Health Benefits Plan .....	2,041,490		15,663	2,025,827
6.	Title XVIII - Medicare .....				
7.	Title XIX - Medicaid .....				
8.	Other health .....				
9.	Health subtotal (Lines 1 through 8) .....	142,711,168		1,447,112	141,264,056
10.	Life .....				
11.	Property/casualty .....				
12.	TOTALS (Lines 9 to 11) .....	142,711,168		1,447,112	141,264,056

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct .....	129,855,850	128,346,752				1,509,098				
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....	1,827,622	1,827,622								
1.4 Net .....	128,028,228	126,519,130				1,509,098				
2. Paid medical incentive pools and bonuses .....										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	13,286,997	13,147,203				139,794				
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....	13,286,997	13,147,203				139,794				
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....										
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....										
5. Accrued medical incentive pools and bonuses, current year .....										
6. Net healthcare receivables (a) .....	(171,074)	(170,382)				(692)				
7. Amounts recoverable from reinsurers December 31, current year .....	745,834	745,834								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	16,976,700	16,839,436				137,264				
8.2 Reinsurance assumed .....										
8.3 Reinsurance ceded .....										
8.4 Net .....	16,976,700	16,839,436				137,264				
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct .....										
9.2 Reinsurance assumed .....										
9.3 Reinsurance ceded .....										
9.4 Net .....										
10. Accrued medical incentive pools and bonuses, prior year .....										
11. Amounts recoverable from reinsurers December 31, prior year .....	118,992	118,992								
12. Incurred benefits:										
12.1 Direct .....	126,337,221	124,824,901				1,512,320				
12.2 Reinsurance assumed .....										
12.3 Reinsurance ceded .....	2,454,464	2,454,464								
12.4 Net .....	123,882,757	122,370,437				1,512,320				
13. Incurred medical incentive pools and bonuses .....										

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	665,273	636,663				28,610				
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	665,273	636,663				28,610				
2. Incurred but Unreported:										
2.1 Direct .....	12,621,724	12,510,540				111,184				
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	12,621,724	12,510,540				111,184				
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....										
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....										
4. TOTALS										
4.1 Direct .....	13,286,997	13,147,203				139,794				
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	13,286,997	13,147,203				139,794				

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical) .....	18,716,704	110,497,094	53,558	13,093,646	18,770,262	16,839,436
2.	Medicare Supplement .....						
3.	Dental only .....						
4.	Vision only .....						
5.	Federal Employees Health Benefits Plan .....	37,881	1,486,108	475	139,319	38,356	137,264
6.	Title XVIII - Medicare .....						
7.	Title XIX - Medicaid .....						
8.	Other health .....						
9.	Health subtotal (Lines 1 to 8) .....	18,754,585	111,983,202	54,033	13,232,965	18,808,618	16,976,700
10.	Healthcare receivables (a) .....	1,049,943	1,659,616		1,093,565	1,049,943	637,797
11.	Other non-health .....						
12.	Medical incentive pool and bonus amounts .....						
13.	TOTALS (Lines 9 - 10 + 11 + 12) .....	17,704,642	110,323,586	54,033	12,139,400	17,758,675	16,338,903

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....	6,510	6,551	6,519	6,519	6,519
2.	2009 .....	95,617	104,485	104,457	104,457	104,441
3.	2010 .....	X X X	113,677	126,852	126,765	126,765
4.	2011 .....	X X X	X X X	115,336	129,930	129,930
5.	2012 .....	X X X	X X X	X X X	114,348	131,947
6.	2013 .....	X X X	X X X	X X X	X X X	110,323

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....	1,324	6,551	6,519	6,519	6,519
2.	2009 .....	107,265	104,445	104,457	104,457	104,441
3.	2010 .....	X X X	128,543	126,866	126,765	126,765
4.	2011 .....	X X X	X X X	130,356	129,973	129,930
5.	2012 .....	X X X	X X X	X X X	131,281	132,001
6.	2013 .....	X X X	X X X	X X X	X X X	123,556

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2009 .....	126,741	104,441	4,306	4.123	108,747	85.803			108,747	85.803
2.	2010 .....	149,979	126,765	4,726	3.729	131,491	87.673			131,491	87.673
3.	2011 .....	148,996	129,930	5,197	4.000	135,127	90.691			135,127	90.691
4.	2012 .....	148,867	131,947	5,717	4.333	137,664	92.475	54	1	137,719	92.511
5.	2013 .....	129,116	110,323	3,161	2.866	113,484	87.893	13,233	99	126,816	98.219

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical  
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....	6,510	6,551	6,519	6,519	6,519
2.	2009 .....	95,617	104,485	104,457	104,457	104,441
3.	2010 .....	X X X	113,092	126,203	126,116	126,116
4.	2011 .....	X X X	X X X	114,298	128,802	128,802
5.	2012 .....	X X X	X X X	X X X	112,945	130,536
6.	2013 .....	X X X	X X X	X X X	X X X	108,837

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....	1,324	6,551	6,519	6,519	6,519
2.	2009 .....	107,265	104,445	104,457	104,457	104,441
3.	2010 .....	X X X	127,916	126,217	126,116	126,116
4.	2011 .....	X X X	X X X	129,192	128,845	128,802
5.	2012 .....	X X X	X X X	X X X	129,741	130,590
6.	2013 .....	X X X	X X X	X X X	X X X	121,931

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2009 .....	126,741	104,441	4,305	4.122	108,746	85.802			108,746	85.802
2.	2010 .....	149,279	126,116	4,707	3.732	130,823	87.636			130,823	87.636
3.	2011 .....	147,546	128,802	5,156	4.003	133,958	90.791			133,958	90.791
4.	2012 .....	147,118	130,536	5,656	4.333	136,192	92.574	54		136,246	92.610
5.	2013 .....	127,075	108,837	3,106	2.853	111,943	88.092	13,094	98	125,135	98.473

12     Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12     Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE

12     Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only . . . . . NONE

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)  
Federal Employees Health Benefits Plan Premiums  
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....					
2.	2009 .....					
3.	2010 .....	X X X .....	585 .....	649 .....	649 .....	649 .....
4.	2011 .....	X X X .....	X X X .....	1,038 .....	1,128 .....	1,128 .....
5.	2012 .....	X X X .....	X X X .....	X X X .....	1,403 .....	1,411 .....
6.	2013 .....	X X X .....	X X X .....	X X X .....	X X X .....	1,486 .....

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....					
2.	2009 .....					
3.	2010 .....	X X X .....	627 .....	649 .....	649 .....	649 .....
4.	2011 .....	X X X .....	X X X .....	1,164 .....	1,128 .....	1,128 .....
5.	2012 .....	X X X .....	X X X .....	X X X .....	1,540 .....	1,411 .....
6.	2013 .....	X X X .....	X X X .....	X X X .....	X X X .....	1,625 .....

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2009 .....			1 .....		1 .....				1 .....	
2.	2010 .....	700 .....	649 .....	20 .....	3.060 .....	669 .....	95.551 .....			669 .....	95.551 .....
3.	2011 .....	1,450 .....	1,128 .....	40 .....	3.558 .....	1,168 .....	80.561 .....			1,168 .....	80.561 .....
4.	2012 .....	1,749 .....	1,411 .....	61 .....	4.298 .....	1,472 .....	84.142 .....		1 .....	1,473 .....	84.199 .....
5.	2013 .....	2,041 .....	1,486 .....	56 .....	3.746 .....	1,542 .....	75.535 .....	139 .....	1 .....	1,682 .....	82.394 .....



12     Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other . . . . . NONE

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	250,895	250,895							
2. Additional policy reserves (a) .....									
3. Reserve for future contingent benefits .....									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income) .....	39,000					39,000			
5. Aggregate write-ins for other policy reserves .....									
6. TOTALS (Gross) .....	289,895	250,895				39,000			
7. Reinsurance ceded .....									
8. TOTALS (Net) (Page 3, Line 4) .....	289,895	250,895				39,000			
9. Present value of amounts not yet due on claims .....									
10. Reserve for future contingent benefits .....									
11. Aggregate write-ins for other claim reserves .....									
12. TOTALS (Gross) .....									
13. Reinsurance ceded .....									
14. TOTALS (Net) (Page 3, Line 7) .....									
DETAILS OF WRITE-INS									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page ....									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) ....									
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page ..									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) ..									

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building) .....	250,066	74,287	389,218		713,571
2.	Salaries, wages and other benefits .....	3,173,479	942,743	6,720,504		10,836,726
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed) .....			4,853,361		4,853,361
4.	Legal fees and expenses .....			264,336		264,336
5.	Certifications and accreditation fees .....					
6.	Auditing, actuarial and other consulting services .....	497,258	65,372	499,999		1,062,629
7.	Traveling expenses .....	17,286	7,165	67,475		91,926
8.	Marketing and advertising .....	1,852		512,605		514,457
9.	Postage, express and telephone .....	73,139	282,153	437,669		792,961
10.	Printing and office supplies .....	129,243	237,204	62,662		429,109
11.	Occupancy, depreciation and amortization .....			1,343,257		1,343,257
12.	Equipment .....					
13.	Cost or depreciation of EDP equipment and software .....		1,065,932	3,670,311		4,736,243
14.	Outsourced services including EDP, claims, and other services .....		559,843			559,843
15.	Boards, bureaus and association fees .....					
16.	Insurance, except on real estate .....			211,046		211,046
17.	Collection and bank service charges .....					
18.	Group service and administration fees .....					
19.	Reimbursements by uninsured plans .....	(834,423)	(500,781)	(3,721,364)		(5,056,568)
20.	Reimbursements from fiscal intermediaries .....					
21.	Real estate expenses .....					
22.	Real estate taxes .....					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes .....					
23.2	State premium taxes .....			583,163		583,163
23.3	Regulatory authority licenses and fees .....					
23.4	Payroll taxes .....	201,406	60,684	315,454		577,544
23.5	Other (excluding federal income and real estate taxes) .....			35,661		35,661
24.	Investment expenses not included elsewhere .....				64,282	64,282
25.	Aggregate write-ins for expenses .....	214,335		361,368		575,703
26.	TOTAL Expenses Incurred (Lines 1 to 25) .....	3,723,641	2,794,602	16,606,725	64,282	(a) 23,189,250
27.	Less expenses unpaid December 31, current year .....		99,045	1,448,827		1,547,872
28.	Add expenses unpaid December 31, prior year .....		112,862	941,478		1,054,340
29.	Amounts receivable relating to uninsured plans, prior year .....					
30.	Amounts receivable relating to uninsured plans, current year .....					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	3,723,641	2,808,419	16,099,376	64,282	22,695,718
DETAILS OF WRITE-INS						
2501.	Network Rental Fee .....	214,335				214,335
2502.	Miscellaneous .....			136,312		136,312
2503.	Donations .....			50,026		50,026
2598.	Summary of remaining write-ins for Line 25 from overflow page .....			175,030		175,030
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	214,335		361,368		575,703

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a)..... 119,515	..... 87,860
1.1	Bonds exempt from U.S. tax .....	(a).....	.....
1.2	Other bonds (unaffiliated) .....	(a)..... 122,362	..... 122,362
1.3	Bonds of affiliates .....	(a).....	.....
2.1	Preferred stocks (unaffiliated) .....	(b).....	.....
2.11	Preferred stocks of affiliates .....	(b).....	.....
2.2	Common stocks (unaffiliated) .....	..... 115,593	..... 115,593
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans .....	(c).....	.....
4.	Real estate .....	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	(e)..... 58,153	..... 51,195
7.	Derivative instruments .....	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	Total gross investment income .....	..... 415,623	..... 377,010
11.	Investment expenses .....	.....	(g)..... 64,282
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g).....
13.	Interest expense .....	.....	(h)..... 42,114
14.	Depreciation on real estate and other invested assets .....	.....	(i).....
15.	Aggregate write-ins for deductions from investment income .....	.....	.....
16.	Total deductions (Lines 11 through 15) .....	.....	..... 106,396
17.	Net Investment income (Line 10 minus Line 16) .....	.....	..... 270,614
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	.....	.....
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) .....	.....	.....
(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....	.....	.....	.....	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2	Other bonds (unaffiliated) .....	..... (20,564)	.....	..... (20,564)	..... (133,006)	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	..... 542	.....	..... 542	..... 1,261,671	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	.....	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	.....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10.	Total capital gains (losses) .....	..... (20,022)	.....	..... (20,022)	..... 1,128,665	.....
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page ..	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) ..	.....	.....	.....	.....	.....

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D) .....			
2.	Stocks (Schedule D):			
2.1	Preferred stocks .....			
2.2	Common stocks .....			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens .....			
3.2	Other than first liens .....			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company .....			
4.2	Properties held for the production of income .....			
4.3	Properties held for sale .....			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6.	Contract loans .....			
7.	Derivatives (Schedule DB) .....			
8.	Other invested assets (Schedule BA) .....			
9.	Receivables for securities .....			
10.	Securities lending reinvested collateral assets (Schedule DL) .....			
11.	Aggregate write-ins for invested assets .....			
12.	Subtotals, cash and invested assets (Lines 1 to 11) .....			
13.	Title plants (for Title insurers only) .....			
14.	Invested income due and accrued .....			
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection .....		5,360	5,360
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3	Accrued retrospective premiums .....			
16.	Reinsurance:			
16.1	Amounts recoverable from reinsurers .....			
16.2	Funds held by or deposited with reinsured companies .....			
16.3	Other amounts receivable under reinsurance contracts .....			
17.	Amounts receivable relating to uninsured plans .....			
18.1	Current federal and foreign income tax recoverable and interest thereon .....			
18.2	Net deferred tax asset .....			
19.	Guaranty funds receivable or on deposit .....			
20.	Electronic data processing equipment and software .....			
21.	Furniture and equipment, including health care delivery assets .....			
22.	Net adjustment in assets and liabilities due to foreign exchange rates .....			
23.	Receivables from parent, subsidiaries and affiliates .....			
24.	Health care and other amounts receivable .....	173,356	518,805	345,449
25.	Aggregate write-ins for other than invested assets .....			
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	173,356	524,165	350,809
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28.	Total (Lines 26 and 27) .....	173,356	524,165	350,809
DETAILS OF WRITE-INS				
1101.	.....			
1102.	.....			
1103.	.....			
1198.	Summary of remaining write-ins for Line 11 from overflow page .....			
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....			
2501.	Prepaid Admin Contract .....			
2502.	.....			
2503.	.....			
2598.	Summary of remaining write-ins for Line 25 from overflow page .....			
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....			

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations .....	93	94	110	94	82	1,178
2.	Provider Service Organizations .....						
3.	Preferred Provider Organizations .....						
4.	Point of Service .....	44,547	42,079	40,618	40,605	41,174	494,264
5.	Indemnity Only .....						
6.	Aggregate write-ins for other lines of business .....						
7.	TOTAL .....	44,640	42,173	40,728	40,699	41,256	495,442
DETAILS OF WRITE-INS							
0601.	.....						
0602.	.....						
0603.	.....						
0698.	Summary of remaining write-ins for Line 6 from overflow page .....						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....						

# Notes to Financial Statements

## QCA HEALTH PLAN, INC.

### Notes to Financial Statements - Statutory Basis December 31, 2013 and 2012

#### (1) Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of the accompanying financial statements. Such policies are in conformity with the Annual Statement Instructions and the Accounting Practices and Procedures Manual of the National Association of Insurance Commissioners ("NAIC") and the accounting practices as prescribed or permitted by the Arkansas Insurance Department and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

***Cash and Cash Equivalents and Short Term Investments:*** The Company considers all cash accounts and all highly liquid debt instruments purchased with a maturity of one year or less to be cash or cash equivalents. Certificates of deposit with a maturity of more than one year are considered short term investments and are stated at cost. Certificates of deposit that have no maturity date, a maturity date of less than one year or that can be cashed in without penalty may also be considered as cash.

***Premiums Receivable:*** The Company uses the allowance method of accounting for uncollectible receivables. Premiums receivable represent medical premium revenue that has been billed and recognized as revenue, but has not been collected.

***Investment Securities:*** Bonds and other debt instruments for which the Company intends to hold to until they mature are classified as held to maturity and are stated at cost adjusted for amortization of premiums and accretion of discounts computed by the interest method. Stocks and bond funds which have no set maturity date are classified as available for sale and are stated at fair market value.

***Medical Claims Payable:*** Reported claims expected to be paid after the balance sheet date for services provided to members prior to the balance sheet date are recorded as liabilities. Claims for services provided to members during the financial reporting period which are unreported at the balance sheet date are estimated based on the Company's claims experience and recorded as liabilities. The amounts recorded are based upon estimates of the ultimate net cost of such services provided. These reserves are subject to continuous review by management and changes in estimates are reflected in earnings currently.

***Income Taxes:*** Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due.

## Notes to Financial Statements

**Revenue:** Medical premium revenue is recognized in the month in which members are entitled to receive health care services. Medical premiums collected in advance are recorded as unearned premium revenue.

**Cost of Benefits Provided:** Cost of benefits provided includes the costs of all medical services delivered to enrolled members of the Company and for whom the Company has recorded medical premium revenue during the reporting period. These costs include payments for specific medical services paid to physicians, hospitals, and other health care providers on a fee-for-service basis. Costs of benefits include claims paid, claims in process and pending, estimates of unreported claims and charges, and processing costs of those estimates at the end of the fiscal year for which the Company will be responsible.

**Premium Tax:** The state in which the Company does business requires the remittance of premium taxes based upon a percentage of billed premiums.

**Advertising Costs:** Advertising and promotions related expenses are charged to operations when incurred.

**Non-Admitted Assets:** Certain assets (principally pharmaceutical rebate receivables and deferred tax assets not expected to be realized within a 12 month period) designated as "non-admitted" are not included in the financial statements.

**Accounting Estimates:** The preparation of financial statements in conformity with the accounting practices described above requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

(2) **Accounting Changes and Corrections of Errors**

None.

(3) **Business Combinations and Goodwill**

None.

(4) **Discontinued Operations**

None.



Notes to Financial Statements

(5) Investments

The carrying value and estimated market value of investments in securities classified as held to maturity as of December 31, 2013 and 2012 are as follows:

2013				
	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
U.S. Government securities	\$ 4,155,217	52,052	31,232	4,176,037
	<u>\$ 4,155,217</u>	<u>52,052</u>	<u>31,232</u>	<u>4,176,037</u>
2012				
	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
U.S. Government securities	\$ 5,583,039	144,878	-	5,727,917
Corporate bonds	1,012,477	-	787	1,013,264
	<u>\$ 6,595,516</u>	<u>144,878</u>	<u>787</u>	<u>6,739,607</u>

Included in the amounts above, the Company holds a U.S. Government debt security that is restricted due to regulatory requirements, which matures in one to three years and is held to maturity. At December 31, 2013 and 2012, the aggregate fair value was \$623,331 and \$623,975, respectively.

The cost and estimated market value of investments in securities classified as available for sale as of December 31, 2013 and 2012 are as follows:

2013				
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available for sale:				
Stocks	\$ 5,527,237	1,440,618	27,231	6,940,624
Bond funds	6,782,226	19,434	70,140	6,731,520
	<u>\$ 12,309,463</u>	<u>1,460,052</u>	<u>97,371</u>	<u>13,672,144</u>
2012				
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available for sale:				
Stocks	\$ 2,227,201	166,111	14,398	2,378,914
Bond funds	3,053,517	84,764	2,466	3,135,815
	<u>\$ 5,280,718</u>	<u>250,875</u>	<u>16,864</u>	<u>5,514,729</u>

The carrying value and estimated market value of held to maturity securities as of December 31, 2013, by contractual maturity, are shown below:

Notes to Financial Statements

	Carrying Value	Market Value
Matures in one year or less	\$ 1,376,278	1,383,068
Matures in one to eight years	2,778,939	2,792,969
	<u>\$ 4,155,217</u>	<u>4,176,037</u>

At December 31, 2013 and 2012, there were no securities that have been in a continuous loss position.

(6) Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of its admitted assets.

(7) Investment Income

The Company’s investment income was earned on cash and cash equivalents, bonds, and stocks and no investment income was excluded from surplus for the years ended December 31, 2013 and 2012.

(8) Derivative Instruments

None.

(9) Income Taxes

The Company’s net deferred tax asset account was comprised of the following as of December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Deferred tax assets	\$ -	-
Valuation allowance	-	-
	<u>\$ -</u>	<u>-</u>

The Company has available as of December 31, 2013 unused operating loss carryforwards that may be applied against future taxable income and that expire as follows:

<u>Year of Expiration</u>	<u>Unused Operating Loss Carryforwards</u>
2031	\$ 4,409,593
2032	6,498,427
2033	4,506,203
	<u>\$ 15,414,223</u>

The provision for income taxes in the financial statements differs from the amount determined by applying the statutory Federal income rate to earnings before income taxes.

**Notes to Financial Statements**

The reconciling items and amounts as of December 31, 2013 and 2012 are as follows:

	<b>2013</b>	<b>2012</b>
Expected income tax expense	\$ -	-
Benefit from net operating loss carryforwards	-	-
	<u>\$ -</u>	<u>-</u>

## Notes to Financial Statements

### (10) Information Concerning Parent, Subsidiaries and Affiliates

The Company is party to a service agreement with an affiliate whereby the affiliate provides a full range of administrative, managerial and technological services. The Company paid this affiliate \$18,791,017 and \$20,684,790 during 2013 and 2012, respectively, for these services.

Under the provisions of various provider contracts, the Company paid \$36,678,717 and \$47,561,211 to hospitals owned by or affiliated with stockholders during 2013 and 2012, respectively.

Administrative fee revenue in the amount of \$1,970,090 and \$7,687,783 was received from hospitals owned or affiliated with stockholders during 2013 and 2012, respectively, that relates to the administrative services only (ASO) line of business.

The Company was due \$0 and \$206,666 from a stockholder as of December 31, 2013 and 2012, respectively. The balance relates to an agreement between the Company and QualChoice of Arkansas, Inc. ("QualChoice"), for professional services from a network of physicians, in which qualifying fee-for-service medical charges are withheld by QualChoice and remitted to the Company. The Company was due \$75,000 from an affiliate, QualChoice Life and Health Insurance Company as of December 31, 2013.

The Company owed \$106,919 and \$399,264 to stockholders and affiliates as of December 31, 2013 and 2012, respectively, for general expenses paid on behalf of the Company.

The Company entered into an agreement with QualChoice in November 2001, whereby the Company assumed the groups QualChoice managed under a third party administrator agreement on January 1, 2002, on behalf of employers which sponsor health benefit plans for employees. The Company assumed the obligations to perform such duties under the existing contracts with QualChoice, and in exchange for receiving these groups.

QualChoice Holdings, Inc. was issued a Certificate of Incorporation as a for-profit corporation August 17, 2010. It was established for the purpose of owning the stock of QCA Health Plan, Inc. and QualChoice Life and Health Insurance Company, Inc. On November 29, 2010, 100% of the stock of both companies was transferred to QualChoice Holdings, Inc. QualChoice Holdings, Inc. now owns 100% of the outstanding stock of QCA Health Plan, Inc.

### (11) Debt

There were no surplus notes, debentures, or loans in 2012 or 2011.

Notes to Financial Statements

(12) Retirement Plans, Deferred Compensation and Other Postretirement Benefit and Compensated Absences and Other Postretirement Benefit Plans

The Company has an employee 401(k) plan covering all full-time employees of the Company who have completed three months of employment and choose to participate. The Company contributes an amount equal to 3% of the employee’s salary. Contributions to the plan during 2013 and 2012 totaled \$263,157 and \$296,664, respectively.

(13) Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

The Company has 50,000 shares of \$.10 per share par value common stock authorized and 20,935 shares outstanding, exclusive of 3,600 shares held as treasury stock. On December 31, 2012 the Company had 11,295 shares outstanding, exclusive of 3,600 shares held as treasury stock. The Company has 25,500.046 shares of \$1,000 par value preferred stock outstanding. The Company does not intend to pay dividends on its common or preferred stock in the foreseeable future.

The Company’s preferred stock structure is as follows as of December 31:

	2013	2012
Series A, \$1,000 par value; 5% noncumulative, nonvoting; convertible into 4,732 shares of nonvoting common stock; 2,868 shares authorized and issued.	\$ 2,868,000	2,868,000
Series B, \$1,000 par value; 5% noncumulative, nonvoting; convertible into 16,833 shares of nonvoting common stock; 9,342.808 shares authorized and issued.	9,342,808	9,342,808
Series C, \$1,000 par value; 2% noncumulative, nonvoting, nonconvertible; 5,000 shares authorized and issued.	5,000,000	5,000,000
Series D, \$1,000 par value; noncumulative, nonvoting, nonconvertible; 8,289.238 shares authorized and issued.	8,289,238	8,289,238
	\$ 25,500,046	25,500,046

In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the affairs of the Company the holders of the preferred stock shall be entitled to share ratably in any assets of the Company available for distribution to the Company’s stockholders. The amount will be equal to the greater of (a) \$1,000 per share of preferred stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization, plus all declared, approved, but unpaid dividends through such distribution payment date or (b) the amount per share such shareholder would receive if such shareholder converted such shares of preferred stock into common stock in accordance with the conversion factor set out in the “Statement of Preferences and Terms of Preferred Stock” immediately prior to such liquidation, dissolution, or winding up of the affairs of the Company. Any payments or distributions to the preferred stockholders shall be made before any such payments or distributions shall be made to common stockholders.

(14) Contingencies

The Company is a defendant in general litigation as of December 31, 2013, in the ordinary course of business. The Company’s management believes, however, that any liability it may incur as a result of this litigation would not have a material or adverse

## Notes to Financial Statements

effect on the financial statements and, accordingly, no contingencies have been recorded.

The Company is subject to various regulatory requirements, including maintenance of minimum capital and surplus. At December 31, 2012, the Company is in compliance with requirements established by the Arkansas Insurance Department. The Company is required to maintain restricted investments in the minimum maturity amount of \$625,000.

**(15) Leases**

None.

**(16) Information About Financial Instruments With Off Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

None.

**(17) Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

None.

**(18) Gain or Loss To The Reporting Entity From Uninsured A&H Plans and The Uninsured Portion of Partially Insured Plans**

During 2013 and 2012, the Company had administrative services only contracts and minimum premium contracts, for which the employer retained all health care service risk, while the Company assumed administrative risk. The Company recorded administrative fee revenues of approximately \$75,056,568 and \$7,926,831 for 2013 and 2012, respectively. The amounts are not recorded as revenue in this statutory statement, but rather as a reduction in operating expenses. The loss associated with this line of business was (\$140,927) in 2013, and the associated profit was \$20,706 for 2012. The Company has no Medicare or similarly structured cost based reimbursement contracts.

**(19) Direct Premium Written/Produced By Managing General Agents/Third Party Administrators**

None

**(20) Fair Value Measurements**

Under FASB ASC 820-10, three prioritized valuation inputs may be used to determine fair value at the measurement date: Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – observable inputs other than the quoted prices included in Level 1; Level 3 – unobservable inputs. There have been no changes in valuation methodologies during the periods under audit, therefore no recognition of gain or loss is required for these financial statements.

The following table sets forth by level, within the fair value hierarchy, the Company's assets held for investment purposes at fair value as of December 31, 2013 and 2012:

Notes to Financial Statements

December 31, 2013		Fair Value Measurements at Reporting Date			
	Fair Value	Level 1	Level 2	Level 3	
Investments					
Stocks	\$ 7,498,849	\$ 7,498,849	\$ -	\$ -	
Bond funds	6,173,295	6,173,295	-	-	
	<u>\$ 13,672,144</u>	<u>\$ 13,672,144</u>	<u>\$ -</u>	<u>\$ -</u>	

December 31, 2012		Fair Value Measurements at Reporting Date			
	Fair Value	Level 1	Level 2	Level 3	
Investments					
Stocks	\$ 2,378,914	\$ 2,378,914	\$ -	\$ -	
Bond funds	3,135,815	3,135,815	-	-	
	<u>\$ 5,514,729</u>	<u>\$ 5,514,729</u>	<u>\$ -</u>	<u>\$ -</u>	

(21) Other Items

None.

(22) Events Subsequent

Subsequent events have been considered through February 27, 2013, the date which the financial statements were filed.

On January 1, 2014, the Company will be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity’s net premiums written during the preceding calendar year. A health insurance entity’s portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2014. As of December 31, 2013, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2014, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2014 to be \$1,462,734. This assessment is expected to impact risk based capital by 11%.

(23) Reinsurance

The Company is covered under a medical reinsurance agreement effective October 1, 2013 through September 30, 2014, that provides annual coverage for eligible in-area and out of area hospital services of 90% in excess of \$500,000 per member for group coverage and \$275,000 for Individual coverage. The policy covers medical services and pharmaceuticals including inpatient and outpatient hospital, sub-acute facility services, skilled nursing facility and rehabilitation facility services, hospice services, home health agency services, outpatient facility services, and other professional services. Physician services are not covered. Certain covered services have per unit or annual coverage limits. Each insured member’s coverage is limited to \$10,000,000 in the contract year.

The reinsurance agreement contains a provision through which the Company may receive an experience refund equal to 40% of a realized gain in a contract year. A realized gain is defined as the amount by which the actual claims against the policy filed by the Company are less than 68% of total policy premiums for the contract year. The policy must be renewed in a subsequent contract year for the Company to receive a prior year’s experience refund. At December 31, 2013 the Company recorded \$745,834o receivable for experience refund related to the contract year that began

Notes to Financial Statements

October 1, 2013. As of December 31, 2012 the Company recorded a receivable of \$118,992 for the contract year began September 30, 2012.

The Company has no return commission, which would have been due if the Company had cancelled the reinsurance. The Company has no retroactive reinsurance agreements. The reinsurance does not have retroactive termination arrangement clause.

(24) Retrospectively Rated Contracts & Contracts Subject To Redetermination

None.

(25) Change In Incurred Claims and Claim Adjustment Expenses

None.

(26) Intercompany Pooling Arrangements

None.

(27) Structured Settlements

None.

(28) Health Care Receivables

The Company experienced the following activity associated with the pharmaceutical rebate receivables by quarter for the previous three years from December 31, 2013:

For 2013  
Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Confirmed	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2013	347,731	0			
9/30/2013	350,749	194,237	194,237		
6/30/2013	358,302	416,370	222,133	194,237	0
3/31/2013	412,586	469,863	247,730	222,133	0
12/31/2012	518,806	439,140	191,410	247,730	0
9/30/2012	677,928	461,070	269,660	191,410	0
6/30/2012	698,389	538,781	269,121	269,660	0
3/31/2012	648,106	618,473	349,323	269,121	29
12/31/2011	693,330	731,150	381,827	349,323	0
9/30/2011	742,256	914,543	532,449	381,827	267
6/30/2011	1,048,096	1,168,164	635,715	532,449	0
3/31/2011	597,315	915,314	158,442	635,715	121,157

(29) Participating Policies

None.

(30) Premium Deficiency Reserves



Notes to Financial Statements

At December 31, 2012 the Company carried a liability for premium deficiency reserves \$1,849,940. As of December 31, 2013 no premium deficiency reserve was required or carried.

(31) Anticipated Salvage and Subrogation

None.

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes[ ] No[X]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[ ] No[ ] N/A[X]
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[ ] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2011
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2011
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

05/30/2013
- 3.4 By what department or departments?  
Arkansas Department of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[ ] No[ ] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[ ] No[ ] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[ ] No[X]
- 4.12 renewals?

Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[ ] No[X]
- 4.22 renewals?

Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[ ] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[ ] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
		Yes[ ] No[X] ..	Yes[ ] No[X] ..	Yes[ ] No[X] ..	Yes[ ] No[X] ..

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Rasco, Winter, Abston, Moore & Assoc. 400 West Capitol, Suite 1624 Little Rock, Arkansas 72201
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[ ] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes[ ] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[ ] N/A[ ]
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Ed Goral employee of QCA Health Plan, Inc. 12615 Chenal Parkway , Suite 300 Little Rock, Arkansas 72211

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[ ] No[X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved

0
- 12.13 Total book/adjusted carrying value

\$0
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

Yes[ ] No[ ] N/A[X]
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[ ] No[ ] N/A[X]
- 13.3 Have there been any changes made to any of the trust indentures during the year?

Yes[ ] No[ ] N/A[X]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes[X] No[ ]
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended?

Yes[ ] No[X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[ ] No[X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes[ ] No[X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
15.2001	.....	.....	.....	.....

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[ ] No[X]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes[ ] No[X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers

\$0
- 20.12 To stockholders not officers

\$0
- 20.13 Trustees, supreme or grand (Fraternal only)

\$0
- 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers

\$0
- 20.22 To stockholders not officers

\$0
- 20.23 Trustees, supreme or grand (Fraternal only)

\$0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[ ] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others

\$0
- 21.22 Borrowed from others

\$0
- 21.23 Leased from others

\$0
- 21.24 Other

\$0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[ ] No[X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment

\$0
- 22.22 Amount paid as expenses

\$0
- 22.23 Other amounts paid

\$0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[X] No[ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$75,000

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes[ ] No[X]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes[ ] No[ ] N/A[X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.

\$0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes[ ] No[ ] N/A[X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes[ ] No[ ] N/A[X]

GENERAL INTERROGATORIES (Continued)

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ 0

24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ 0

24.103 Total payable for securities lending reported on the liability page.

\$ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements

\$ 0

25.22 Subject to reverse repurchase agreements

\$ 0

25.23 Subject to dollar repurchase agreements

\$ 0

25.24 Subject to reverse dollar repurchase agreements

\$ 0

25.25 Pledged as collateral

\$ 0

25.26 Placed under option agreements

\$ 0

25.27 Letter stock or securities restricted as to sale

\$ 0

25.28 On deposit with state or other regulatory body

\$ 0

25.29 Other

\$ 0

25.3 For category (25.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....	.....	.....

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[ ] No[X]

If no, attach a description with this statement.

Yes[ ] No[ ] N/A[X]

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

27.2 If yes, state the amount thereof at December 31 of the current year.

Yes[ ] No[X]

\$ 0

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

Yes[X] No[ ]

1	2
Name of Custodian(s)	Custodian's Address
Arvest Asset Management .....	200 Commerce Dr. Ste. 100, Little Rock, AR .....
Stephens Bank Trust .....	111 Center Street, Little Rock, AR .....

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....	.....	.....

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

28.04 If yes, give full and complete information relating thereto:

Yes[ ] No[X]

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
.....	.....	.....	.....

28.05 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository Number(s)	Name	Address
.....	Dennis Whitaker .....	200 Commerce Dr. Ste. 100 Little Rock, AR .....
.....	Alan Tedford .....	111 Center Street, Little Rock, AR .....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

29.2 If yes, complete the following schedule:

Yes[ ] No[X]

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999 Total .....	.....	.....

29.3 For each mutual fund listed in the table above, complete the following schedule:

GENERAL INTERROGATORIES (Continued)

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	10,886,739	10,907,559	20,820
30.2 Preferred stocks .....	1,500,000	1,500,000	
30.3 Totals .....	12,386,739	12,407,559	20,820

30.4 Describe the sources or methods utilized in determining the fair values  
Provided by bank statements/Trust Company reporting

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes[X] No[ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes[ ] No[X] N/A[ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes[X] No[ ]

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$..... 38,800

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1	2
Name	Amount Paid
AM Best .....	38,800

34.1 Amount of payments for legal expenses, if any?

\$..... 264,336

34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid
Baker & Hostetler LLP .....	66,084
Venable LLP .....	75,000

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

\$..... 0

35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1	2
Name	Amount Paid



FIVE-YEAR HISTORICAL DATA

	1 2013	2 2012	3 2011	4 2010	5 2009
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	30,952,723	39,094,684	42,921,215	44,770,829	39,938,741
2. TOTAL Liabilities (Page 3, Line 24) .....	18,132,132	26,164,182	24,102,140	21,607,233	18,226,619
3. Statutory surplus .....	5,480,904	5,692,025	5,631,806	5,533,355	4,733,565
4. TOTAL Capital and Surplus (Page 3, Line 33) .....	12,820,591	12,930,502	18,819,075	23,163,596	21,712,122
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....	141,264,056	147,170,891	146,105,210	146,799,509	124,222,104
6. TOTAL Medical and Hospital Expenses (Line 18) .....	123,882,758	130,980,925	129,326,702	125,099,692	104,566,229
7. Claims adjustment expenses (Line 20) .....	6,518,243	6,023,417	5,030,345	4,647,708	4,244,271
8. TOTAL Administrative Expenses (Line 21) .....	16,606,725	15,382,328	16,119,665	15,319,258	13,438,796
9. Net underwriting gain (loss) (Line 24) .....	(3,893,730)	(6,597,453)	(4,839,768)	1,732,851	1,972,808
10. Net investment gain (loss) (Line 27) .....	250,592	394,398	269,383	356,145	463,290
11. TOTAL Other Income (Lines 28 plus 29) .....	53,755	25,695		(1)	(2)
12. Net income or (loss) (Line 32) .....	(3,589,383)	(6,177,360)	(4,559,308)	2,039,595	2,393,868
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	(10,769,776)	(2,746,218)	(2,772,110)	5,924,256	4,769,763
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	12,820,591	12,930,502	18,819,075	23,163,596	21,712,122
15. Authorized control level risk-based capital .....	5,462,471	5,692,025	5,631,778	5,533,355	4,733,565
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....	41,256	44,550	45,067	49,625	44,017
17. TOTAL Members Months (Column 6, Line 7) .....	495,442	542,687	569,492	567,122	482,872
<b>OPERATING PERCENTAGE (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) .....	87.7	89.0	88.5	85.2	84.2
20. Cost containment expenses .....	2.6	2.6	2.1	2.3	2.5
21. Other claims adjustment expenses .....	2.0	1.4	1.3	0.9	0.9
22. TOTAL Underwriting Deductions (Line 23) .....	102.8	104.5	103.3	98.8	98.4
23. TOTAL Underwriting Gain (Loss) (Line 24) .....	(2.8)	(4.5)	(3.3)	1.2	1.6
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	17,758,675	14,536,223	13,127,677	8,869,551	6,524,255
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	16,338,903	14,198,702	13,320,969	10,807,956	8,369,602
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) .....	1,500,000	1,500,000	1,500,000	1,500,000	
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) .....					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....	5,634	5,628	5,623	5,616	5,604
32. TOTAL of Above Lines 26 to 31 .....	1,505,634	1,505,628	1,505,623	1,505,616	5,604
33. TOTAL investment in parent included in Lines 26 to 31 above .....					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes[ ] No[ ] N/A[X]

If no, please explain::

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS  
ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	L	140,669,678			2,041,490			142,711,168	
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	N								
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CAN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X	140,669,678			2,041,490			142,711,168	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	TOTAL (Direct Business)	(a)... 1	140,669,678			2,041,490			142,711,168	

DETAILS OF WRITE-INS										
5801.		X X X								
5802.		X X X								
5803.		X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

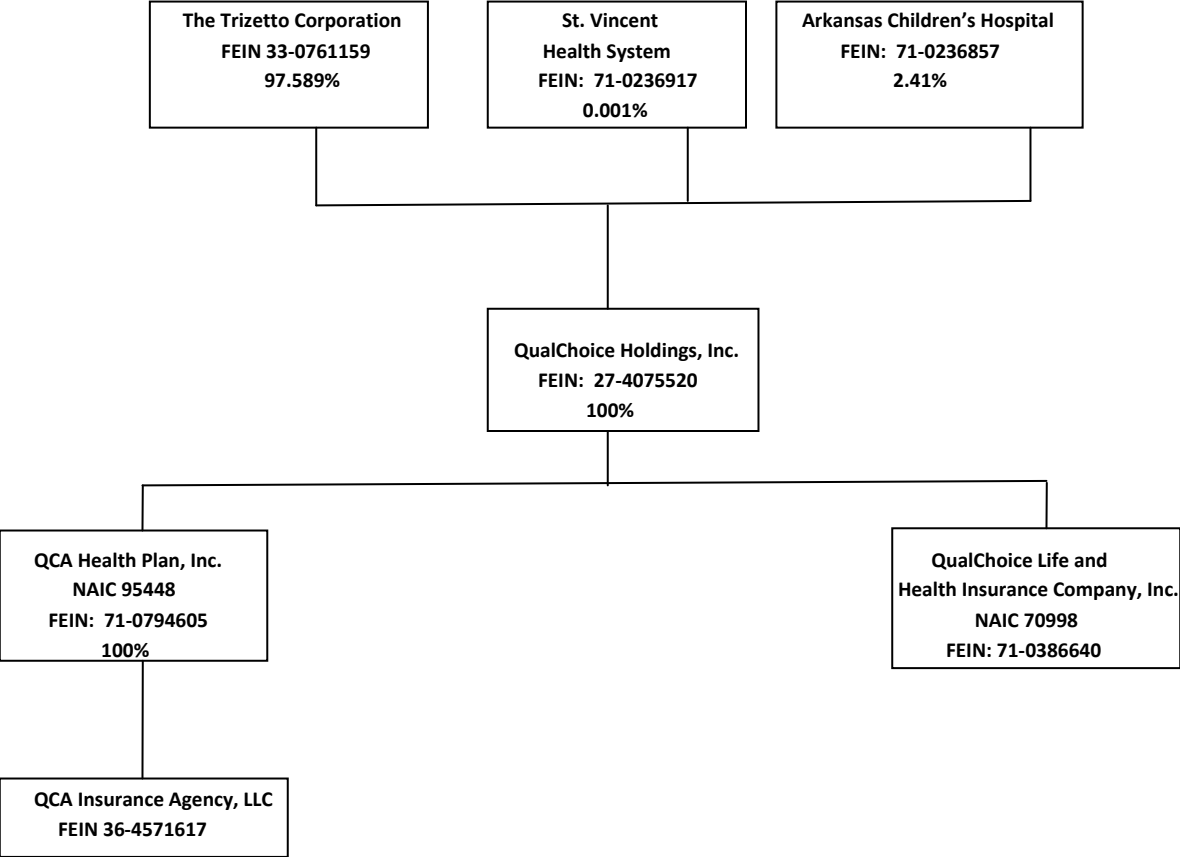
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.  
Explanation of basis of allocation of premiums by states, etc.:



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

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